

2016

California Corporation Franchise or Income Tax Return — Water's-Edge Filers

100W

For calendar year 2016 or fiscal year beginning

(mm/dd/yyyy)

and ending

(mm/dd/yyyy)

RP

Corporation name

California corporation number

FEIN

Additional information. See instructions.

California Secretary of State file number

Street address (suite/room no.)

PMB no.

City (If the corporation has a foreign address, see instructions.)

State

ZIP code

Foreign country name

Foreign province/state/county

Foreign postal code

Schedule Q Questions (continued on Side 2)

A FINAL RETURN?

☐

Dissolved

☐

Surrendered (withdrawn)

☐

Merged/Reorganized

☐

IRC Section 338 sale

☐

QSub election

Enter date (mm/dd/yyyy)

B 1. Is income included in a combined report of a unitary group?

☐

Yes

☐

No

If "Yes," indicate:

☐

Wholly within CA (R&TC 25101.15)

☐

Within and outside of CA

2. Is there a change in the members listed in Schedule R-7 from the prior year?

☐

Yes

☐

No

3. Enter the number of members (including parent or key corporation) listed in the Schedule R-7, Part I, Section A, subject to income or franchise tax.

4. Is form FTB 3544 and/or 3544A attached to the return?

☐

Yes

☐

No

C 1. During this taxable year, did another person or legal entity acquire control or majority ownership (more than a 50% interest) of this corporation or any of its subsidiaries that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term?

☐

Yes

☐

No

2. During this taxable year, did this corporation or any of its subsidiaries acquire control or majority ownership (more than a 50% interest) in another legal entity that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term?

☐

Yes

☐

No

3. During this taxable year, has more than 50% of the voting stock of this corporation cumulatively transferred in one or more transactions after an interest in California real property (i.e., land, buildings) was transferred to it that was excluded from property tax reassessment under R&TC Section 62(a)(2) and it was not reported on a previous year's tax return?

☐

Yes

☐

No

(Yes requires filing of statement, penalties may apply – see instructions.)

State Adjustments	1	Net income (loss) before state adjustments. See instructions	1	00
	2	Amount deducted for foreign or domestic tax based on income or profits from Schedule A	2	00
	3	Amount deducted for tax under the provisions of the Corporation Tax Law from Schedule A	3	00
	4	Interest on government obligations	4	00
	5	Net California capital gain from Side 6, Schedule D, line 11	5	00
	6	Depreciation and amortization in excess of amount allowed under California law. Attach form FTB 3885	6	00
	7a	Net income from included CFCs from form FTB 2416, column (i). See instructions.	7a	00
	7b	Net income from corporations not included in federal consolidated return. See instructions.	7b	00
	8	Other additions. Attach schedule(s)	8	00
	9	Total. Add line 1 through line 8	9	00

State Adjustments (cont.)	10	Intercompany dividend deduction. Attach Schedule H (100W)	10		00	
	11 a	Foreign dividend deduction. Attach Schedule H (100W)	11a		00	
	11 b	Dividends received deduction. Attach Schedule H (100W)	11b		00	
	12	Additional depreciation allowed under CA law. Attach form FTB 3885	12		00	
	13	Capital gain from federal Form 1120, line 8	13		00	
	14	Contributions	14		00	
	15	Other deductions. Attach schedule(s)	15		00	
	16	Total. Add line 10 through line 15	16		00	
	17	Net income (loss) after state adjustments. Subtract line 16 from Side 1, line 9	17		00	
	CA Net Income	18	Net income (loss) for state purposes. Complete Schedule R if apportioning or allocating income. See instructions.	18		00
19		Net operating loss (NOL) deduction. See instructions	19		00	
20		Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction	20		00	
21		Disaster loss deduction. See instructions	21		00	
22		Net income for tax purposes. Combine line 19 through line 21. Then, subtract from line 18	22		00	
Taxes	23	Tax. _____ % x line 22 (at least minimum franchise tax, if applicable). See instructions.	23		00	
	24	Credit name _____ code ● _____ amount	24		00	
	25	Credit name _____ code ● _____ amount	25		00	
	26	To claim more than two credits, see instructions	26		00	
	27	Add line 24 through line 26.	27		00	
	28	Balance. Subtract line 27 from line 23 (at least minimum franchise tax, if applicable).	28		00	
	29	Alternative minimum tax. Attach Schedule P (100W). See instructions	29		00	
	30	Total tax. Add line 28 and line 29.	30		00	
	Payments	31	Overpayment from prior year allowed as a credit	31		00
		32	2016 Estimated tax payments. See instructions	32		00
33		2016 Withholding (Form 592-B and/or 593). See instructions.	33		00	
34		Amount paid with extension of time to file tax return	34		00	
35		Total payments. Add line 31 through line 34.	35		00	
Refund or Amount Due	36	Tax due. If line 30 is more than line 35, subtract line 35 from line 30. Go to line 40	36		00	
	37	Overpayment. If line 35 is more than line 30, subtract line 30 from line 35	37		00	
	38	Amount of line 37 to be credited to 2017 estimated tax	38		00	
	39	Refund. Amount of line 37 to be refunded. Line 37 less line 38. See instructions to have the refund directly deposited.	39		00	
		☐ Checking				
		☐ Savings				
	39a.	● Routing number	39b.	● Type	39c.	● Account number
	40 a	Penalties and interest.	40a		00	
	b	● ☐ Check if estimate penalty computed using Exception B or C on form FTB 5806. See instructions				
	41	Total amount due. Add line 36 and line 40a. Pay this amount	41		00	

Schedule Q Questions (continued from Side 1)

D This return is being filed pursuant to a water's-edge election under R&TC Section 25113, commencing on _____ Enter date (mm/dd/yyyy) ● _____

E Was the corporation's income included in a consolidated federal return? ● ☐ Yes ☐ No

F Principal business activity code. (Do not leave blank): ● _____
Business activity _____
Product or service _____

G Date incorporated (mm/dd/yyyy): _____ Where: ● State _____ Country _____

H Date business began in California or date income was first derived from California sources (mm/dd/yyyy) ● _____

Schedule Q Questions (continued on Side 3)

I First return? ☒ Yes ☐ No If "Yes" and this corporation is a successor to a previously existing business, check the appropriate box.
☒ (1) ☐ Sole proprietorship (2) ☐ Partnership (3) ☐ Joint venture (4) ☐ Corporation (5) ☐ Other
(Attach statement showing name, address, and FEIN/SSN/ITIN of previous business.)

J "Doing business as" name. See instructions: ☒ _____

K At any time during the taxable year, was more than 50% of the voting stock:

1. Of the corporation owned by any single interest? ☒ Yes ☐ No
2. Of another corporation owned by this corporation? ☒ Yes ☐ No
3. Of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? ☒ Yes ☐ No

If 1 or 3 is "Yes," enter the country of the ultimate parent: ☒ _____

If 1, 2, or 3 is "Yes," furnish a statement of ownership indicating pertinent names, addresses, and percentages of stock owned.

If the owner(s) is an individual, provide the SSN/ITIN.

L Has the corporation included a reportable transaction or listed transaction within this return? (See instructions for definitions) ☒ Yes ☐ No

If "Yes," complete and attach federal Form 8886 for each transaction.

M Is this corporation apportioning or allocating income to California using Schedule R? ☒ Yes ☐ No

N How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 86-272? ☒ _____

O Corporation headquarters are: ☒ (1) ☐ Within California (2) ☐ Outside of California, within the U.S. (3) ☐ Outside of the U.S.

P Location of principal accounting records: _____

Q Accounting method: ☒ (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other

R Does this corporation or any of its subsidiaries have a Deferred Intercompany Stock Account (DISA)? ☒ Yes ☐ No

If "Yes," enter the total balance of all DISAs ☒ \$ _____

S Is this corporation or any of its subsidiaries a RIC? ☒ Yes ☐ No

T Is this corporation treated as a REMIC for California purposes? ☒ Yes ☐ No

U Is this corporation a REIT for California purposes? ☒ Yes ☐ No

V Is this corporation an LLC or limited partnership electing to be taxed as a corporation for federal purposes? ☒ Yes ☐ No

If "Yes," enter the effective date of the election (mm/dd/yyyy): _____

W Is this corporation to be treated as a credit union? ☒ Yes ☐ No

X Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? ☒ Yes ☐ No

Y Have all required information returns (e.g. federal Forms 1099, 5471, 5472, 8300, 8865, etc.) been filed with the Franchise Tax Board? ☐ N/A ☐ Yes ☐ No

Z Does the taxpayer (or any corporation of the taxpayer's combined group, if applicable) own 80% or more of the stock of an insurance company? ☐ Yes ☐ No

AA Did the corporation file the federal Schedule UTP (Form 1120)? ☒ Yes ☐ No

BB Does any member of the combined report own an SMLLC or generate/claim credits that are attributable to an SMLLC? ☒ Yes ☐ No

CC 1. Did this corporation, or any corporation in a combined reporting group, receive any qualified health care service plan income that is excluded from gross income for state purposes (R&TC Section 24330)? ☒ Yes ☐ No

2. Is this corporation's, or any corporation in a combined reporting group's, only source of income qualified health care service plan income that is excluded from gross income under R&TC Section 24330 for the taxable year? ☒ Yes ☐ No

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer	Title	Date
Paid Preparer's Use Only	Officer's email address (optional)		☒ Telephone
	Preparer's signature	Date	☒ PTIN
	Firm's name (or yours, if self-employed) and address		☒ FEIN
			☒ Telephone
May the FTB discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No			

(a) Nature of tax	(b) Taxing authority	(c) Total amount	(d) Nondeductible amount
			00
			00
Total. Enter total of column (c) on Schedule F, line 17, and total of column (d) on Side 1, line 2 or line 3. If the corporation uses California computation method to compute the net income, see instructions.....			00

Income	1 a Gross receipts or gross sales.....			
	b Less returns and allowance.....	c) Balance ●	1c	00
	2 Cost of goods sold. Attach federal Form 1125-A (California Schedule V)	●	2	00
	3 Gross profit. Subtract line 2 from line 1c	●	3	00
	4 Total dividends. Attach federal Schedule C, (California Schedule H (100W))	●	4	00
	5 a Interest on obligations of the United States and U.S. instrumentalities	●	5a	00
	b Other interest. Attach schedule	●	5b	00
	6 Gross rents.	●	6	00
	7 Gross royalties	●	7	00
	8 Capital gain net income. Attach federal Schedule D (California Schedule D)	●	8	00
	9 Ordinary gain (loss). Attach federal Form 4797 (California Schedule D-1)	●	9	00
10 Other income (loss). Attach schedule.	●	10	00	
11 Total income. Add line 3 through line 10.	●	11	00	

Deductions	12	Compensation of officers. Attach federal Form 1125-E or equivalent schedule	☐	12		00
	13	Salaries and wages (not deducted elsewhere)	☐	13		00
	14	Repairs and maintenance	☒	14		00
	15	Bad debts	☐	15		00
	16	Rents	☐	16		00
	17	Taxes (California Schedule A). See instructions	☐	17		00
	18	Interest. Attach schedule	☐	18		00
	19	Contributions. Attach schedule.	☐	19		00
	20	Depreciation. Attach federal Form 4562 and FTB 3885 . ☒	20			
	21	Less depreciation claimed elsewhere on return. ☒	21a		21b	00
	22	Depletion. Attach schedule	☐	22		00
	23	Advertising	☒	23		00
	24	Pension, profit-sharing plans, etc.	☒	24		00
	25	Employee benefit plans.	☒	25		00
	26	a Total travel and entertainment _____				
	b Deductible amounts.	☐	26b		00	
27	Other deductions. Attach schedule	☐	27		00	
	28 Total deductions. Add line 12 through line 27	☐	28		00	
	29 Net income before state adjustments. Subtract line 28 from line 11. Enter here and on Side 1, line 1 . . .	☐	29		00	

1	LIFO recapture due to S corporation election, IRC Sec. 1363(d) deferral: \$	1		00
2	Interest computed under the look-back method for completed long-term contracts (Attach form FTB 3834)	2		00
3	Interest on tax attributable to installment: a Sales of certain timeshares and residential lots	3a		00
	b Method for nondealer installment obligations	3b		00
4	IRC Section 197(f)(9)(B)(ii) election.	4		00
5	Credit recapture name:	5		00
6	Combine line 1 through line 5, revise Side 2, line 36 or line 37, whichever applies, by this amount. Write "Schedule J" to the left of line 36 or line 37	6		00

Schedule V Cost of Goods Sold

1	Inventory at beginning of year	☒	1		00
2	Purchases	☒	2		00
3	Cost of labor	☒	3		00
4	a Additional IRC Section 263A costs. Attach schedule	☒	4a		00
	b Other costs. Attach schedule	☒	4b		00
5	Total. Add line 1 through line 4b		5		00
6	Inventory at end of year		6		00
7	Cost of goods sold. Subtract line 6 from line 5. Enter here and on Side 4, Schedule F, line 2		7		00

Method of inventory valuation ►

Was there any change in determining quantities, costs of valuations between opening and closing inventory?..... ☐ Yes ☐ No

If "Yes," attach an explanation.

Enter California seller's permit number, if any ►

Check if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ☐

If the LIFO inventory method was used for this taxable year, enter the amount of closing inventory under LIFO

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the corporation?..... ☐ Yes ☐ No**The corporation may not be required to complete Schedules L, M-1, and M-2. See Schedule M-1 instructions for reporting requirements.****Schedule L Balance Sheet**

	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		☒		☒
2 a Trade notes and accounts receivable			☒	
b Less allowance for bad debts	☒ ()	☒	☒ ()	☒
3 Inventories		☒		☒
4 Federal and state government obligations		☒		☒
5 Other current assets. Attach schedule(s)				
6 Loans to stockholders/officers. Attach schedule		☒		☒
7 Mortgage and real estate loans		☒		☒
8 Other investments. Attach schedule(s)		☒		☒
9 a Buildings and other fixed depreciable assets	☒		☒	
b Less accumulated depreciation	☒ ()	☒	☒ ()	☒
10 a Depletable assets				
b Less accumulated depletion	()	☒	()	
11 Land (net of any amortization)		☒		☒
12 a Intangible assets (amortizable only)	☒		☒	
b Less accumulated amortization	☒ ()	☒	☒ ()	☒
13 Other assets. Attach schedule(s)		☒		☒
14 Total assets		☒		☒
Liabilities and Stockholders' Equity				
15 Accounts payable		☒		☒
16 Mortgages, notes, bonds payable in less than 1 year		☒		☒
17 Other current liabilities. Attach schedule(s)		☒		☒
18 Loans from stockholders. Attach schedule(s)		☒		☒
19 Mortgages, notes, bonds payable in 1 year or more		☒		☒
20 Other liabilities. Attach schedule(s)		☒		☒
21 Capital stock: a Preferred stock	☒		☒	
b Common stock	☒	☒	☒	☒
22 Paid-in or capital surplus. Attach reconciliation		☒		☒
23 Retained earnings – Appropriated. Attach schedule		☒		☒
24 Retained earnings – Unappropriated		☒		☒
25 Adjustments to shareholders' equity. Attach schedule				
26 Less cost of treasury stock		()		()
27 Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return.If the corporation completed federal **Schedule M-3 (Form 1120/1120-F)**, see instructions.

1 Net income per books	●		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	●		a Tax-exempt interest	\$
3 Excess of capital losses over capital gains	●		b Other	\$
4 Taxable income not recorded on books this year (itemize)	●		c Total. Add line 7a and line 7b.	●
5 Expenses recorded on books this year not deducted in this return (itemize)			8 Deductions in this return not charged against book income this year (itemize)	
a Depreciation	\$		a Depreciation	\$
b State taxes	\$		b State tax refunds	\$
c Travel and entertainment	\$		c Other	\$
d Other	\$		d Total. Add line 8a through line 8c	●
e Total. Add line 5a through line 5d	●		9 Total. Add line 7c and line 8d	
6 Total. Add line 1 through line 5e.			10 Net income per return.	
			Subtract line 9 from line 6	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Side 5, Schedule L, line 24)

1 Balance at beginning of year	●		5 Distributions: a Cash	●	
2 Net income per books	●		b Stock	●	
3 Other increases (itemize)			c Property	●	
			6 Other decreases (itemize)	●	
			7 Total. Add line 5 and line 6		
4 Total. Add line 1 through line 3			8 Balance at end of year.		
			Subtract line 7 from line 4	●	

Schedule D California Capital Gains and Losses**Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less.** Use additional sheet(s) if necessary.

(a) Kind of property and description (Example, 100 shares of Z Co.)	(b) Date acquired (mm/dd/yyyy)	(c) Date sold (mm/dd/yyyy)	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain (loss) (d) less (e)
1					00
					00
					00
					00
					00
2 Short-term capital gain from installment sales from form FTB 3805E, line 26 or line 37				2	00
3 Unused capital loss carryover from 2015				3	00
4 Net short-term capital gain (loss). Combine line 1 through line 3				4	00

Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year. Use additional sheet(s) if necessary.

5					00
					00
					00
					00
					00
6 Enter gain from Schedule D-1, line 9 and/or any capital gain distributions				6	00
7 Long-term capital gain from installment sales from form FTB 3805E, line 26 or line 37				7	00
8 Net long-term capital gain (loss). Combine line 5 through line 7	●			8	00
9 Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)				9	00
10 Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)				10	00
11 Total lines 9 and 10. Enter here and on Form 100W, Side 1, line 5. If losses exceed gains, carry forward losses to 2017				11	00